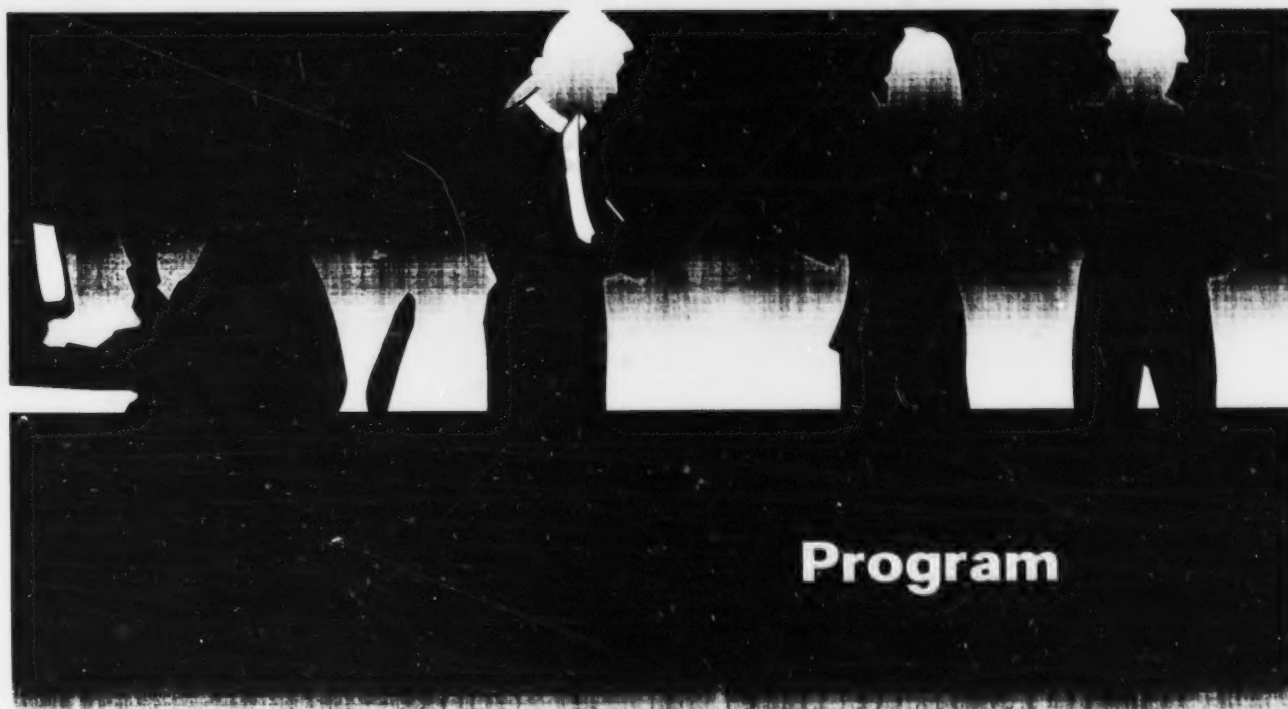


*Employability
Improvement
Program*



Human Resources
Development Canada

Développement des
ressources humaines Canada

Evaluation and
Data Development
Strategic Policy

Canada

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**Evaluation of the
Employability Improvement Program
Final Report**

**Evaluation and Data Development
Strategic Policy
Human Resources Development Canada
December 1995**

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EXECUTIVE SUMMARY

Background

The Employability Improvement Program (EIP), a client-centred approach established in 1991, represented a consolidation of several programs and services formerly offered under the Canadian Jobs Strategy and the National Employment Services (NES).

The main objective of EIP was to offer a flexible choice of training programs and services to improve the employability of clients who were experiencing difficulties in finding and retaining jobs. The program comprises eight components related to counselling assistance, training and work experience, mobility assistance and related services, and income support. The evaluation looked at three of its components: Job Opportunities, Project-based Training, and Purchase of Training.

- ***Job Opportunities (JO)*** provides wage reimbursement and financial assistance for training costs to employers who provide on-the-job training and work experience to participants. Participation under JO averaged 24 weeks.
- ***Project-based Training (PBT)*** provides integrated classroom and on-the-job training. Contracts are established with project coordinators who arrange appropriate employment activities which may include skills training, life skills, job search and/or job placements. During participation, clients may receive UI benefits or a training allowance. Average duration of participation was 24.2 weeks.

- **Purchase of Training (POT)** provides clients with the opportunity to learn new job skills in a classroom setting. Training may be purchased from private or public sector trainers either directly through government-to-government and CEC purchases, or indirectly through local Coordinating Groups or other non-government partners. Eligible training must meet the needs of the local labour market and the client's interests and aptitudes. Participants may receive either UI or a training allowance. Average training duration under this component was 15.3 weeks.

Methodology

The evaluation addresses the issue of program success by examining, under the following dimensions, the incremental post-program labour market experience of participants:

- annual weeks working;
- annual earnings;
- annual weeks on UI; and
- annual weeks on social assistance.

Incremental impacts refer to clients' actual experiences in the labour market after training, compared to what they would have experienced without training. Using a quasi-experimental design, a comparison group of non-participants provided estimates of what would have happened without training. The comparison group comprised persons in the labour force who would have been eligible for EIP. Econometric and statistical analyses were used to assess the incremental impacts of the three training components.

Data were obtained from four sources:

- a survey of 6,756 clients who participated in EIP between July 1991 and January 1994;
- a survey of 5,313 non-participants;
- HRDC administrative data;
- Revenue Canada tax data.

Client Profile

EIP training components were well targeted on their intended client groups. The following provides a brief socio-demographic sketch of clients at the time they started training, along with a short overview of their labour market experiences in the two year period prior to the program.

Job Opportunities (JO) clients were, on average, 34 years old, high school graduates, more likely to be male, unmarried, and renting their place of residence. Project-based Training (PBT) participants were very similar to JO clients in most respects, but they were more likely to be female.

Purchase of Training (POT) participants were older: 38 years of age on average, and far less likely than clients in other components to be under 25. POT clients, like JO participants, were more likely to be male, but were much more likely than the other groups to own their own home. They were equally likely to have completed high school but were more likely to have a trade or professional certificate.

Participants in all three program components had experienced labour market difficulties before becoming EIP clients. For example, only 14% of JO clients, 11% of PBT clients, and 29% of POT clients were employed during the week before they entered the program. Moreover, JO and PBT clients spent an average of over 40 weeks unemployed in the two year period before training; POT clients were unemployed for 24 weeks during the same period. Between 55% and 65% of the clients in all three components had collected UI at some time in the two years before entering the program.

The pre-training jobs held by JO and PBT clients were typically lower paid and less skilled than those held by POT participants. On average, JO and PBT trainees earned about \$9,000 a year, compared with \$13,000 for POT clients during the 1987 to 1991 period.

Service Delivery and Client Satisfaction

Clients were generally satisfied with the quality of training. They were asked to rate the quality of instruction, supervision, and equipment, as well as the amount of time spent with an instructor. Using a rating scale, 75 to 86% of EIP participants rated each of these categories as satisfactory or very satisfactory.

For many EIP clients, counselling is an important first step in entering training. About 44% of participants reported receiving counselling at a CEC to help them set career goals, conduct job searches, identify jobs in demand, and match their needs with a training program. The percentage receiving counselling may have been higher since some counselling may have been provided by parties other than a CEC. Clients assessed their CEC counselling less favourably than they did their training. Ratings of counselling success varied around the mid-point of a 7-point scale. Those who rated their counselling as less successful cited "lack of follow-up", and "counsellor did not consider their needs" as the two main reasons.

Labour Market Outcomes

(i) Annual Weeks Working

All three program components had a positive impact on employability, particularly for those who were unemployed just prior to entering the program. When looking at all participants, those in JO enjoyed the largest increase in additional weeks working annually at 12.7 weeks, compared with 12.1 for those in POT and 10.8 for PBT clients. JO participants who were unemployed just prior to the program experienced a 17.1 week gain in weeks worked, compared to 14.4 weeks for PBT clients and 15.9 weeks for POT participants.

(ii) Annual Earnings

EIP had a substantial impact on annual earnings due to increases in weeks worked. Earnings gains ranged from about \$3,800 for PBT participants to nearly \$5,200 for POT participants. Those unemployed prior to the program gained even more. Unemployed JO clients earned an additional \$6,500, while PBT and POT participants earned an additional \$5,200 and \$6,850 respectively.

(iii) Annual Weeks on UI and Social Assistance

Reductions in UI and social assistance benefits after training are noteworthy, although they are smaller than gains in weeks employed. Overall, participants in PBT and POT received 4.6 and 3.4 fewer weeks of UI. Those in JO did not experience a reduction in the receipt of UI; however, they did receive 2.6 fewer weeks of social assistance, compared with 1.6 fewer weeks for those in PBT and 1.5 for those in POT.

Unemployed clients experienced the largest reductions. Unemployed PBT and POT participants received 7.4 and 5.1 fewer weeks of UI; the comparable figures for the employed were 3.2 and 2.6. Unemployed JO clients, however, did not experience a reduction in the number of weeks on UI.

Unemployed participants also received fewer weeks of social assistance: 3.7 for JO, 2.7 for PBT, and 2.2 for POT.

(iv) Effectiveness for Client Groups

As summarized below, EIP had a positive impact on several groups which typically experience labour market difficulty. Gains refer to incremental weeks working as a result of the program.

- *Gender:* Females had outcomes similar to those for males under JO and PBT, but had larger gains under POT.
- *Education:* High school graduates benefitted the most in all three program components. However, participants with less than a high school diploma also managed substantial gains.
- *Age:* Youth benefitted less than older workers in all program components.
- *Visible Minorities and Disabled:* Clients identifying themselves as members of a visible minority had larger than average gains regardless of program component. Disabled persons also showed large gains, especially in JO and PBT.
- *UI Recipients and Non-Recipients:* UI recipients and non-recipients showed notable gains. PBT was more effective for UI recipients, while POT was more effective for non-recipients. UI recipients also received far fewer weeks of UI benefits after the program than they would have otherwise. The reduction in UI usage was much smaller for the non-recipient group. Non-recipients received fewer weeks of social assistance, while UI recipients showed little or no decrease in time on social assistance.
- *SARs:* SARs experienced considerable gains and received substantially fewer weeks of social assistance after the program than did the average EIP participant. The reduction in social assistance dependency for POT participants who were SARs was offset somewhat by an increase in weeks on UI.

Conclusions

EIP produced significant labour market benefits for participants, particularly for those who were unemployed just prior to entering the program.

EIP participants experienced substantial increases in annual earnings due to increased weeks worked after the program. In addition, all three components of EIP decreased reliance on the social safety net.

EIP was effective for almost all client groups including workers who were younger, less educated, previously unemployed, non-UI recipients, and members of equity groups. In many cases, their incremental gains were higher than those of EIP participants overall.



MANAGEMENT RESPONSE

The evaluation shows that EIP achieved significant progress and better results compared to the evaluation findings on previous, similar programming under the Canadian Jobs Strategy (CJS). The evaluation has and will continue to contribute to the design and development of the new Employment Benefits and Measures outlined in the Employment Insurance Legislation currently before Parliament.

Positive results were found for each of the EIP funding mechanisms studied: Job Opportunities (wage subsidy), Purchase of Training (in-class skills upgrading) and Project-based Training (combining classroom and on-the-job training).

As with the previous evaluations, the results under the EIP programming were based on comparing employment outcomes for those who benefited from these mechanisms and those, in similar circumstances, who did not participate. The use of comparison groups allows for the measurement of incremental gains obtained by participants, and these gains were greater for EIP than those obtained under CJS.

One explanation for the overall improvement in results is a shift in the client group stemming from the increased use of UI funds and support for more clients who were

eligible UI claimants and recently employed. The CJS, which relied on Consolidated Revenue Funds (CRF), had a greater focus on the long-term unemployed as well as youth and women entering or re-entering the labour market. Consequently, under EIP the clientele was older, more experienced and had more years of formal education than the CJS clientele.

However, as has been the subject of EIP criticism, operating with two distinct funding sources, UI and CRF, has been not only administratively cumbersome, but often counter productive. The approach excluded on arbitrary grounds (ie, the expiration of their UI claim) some unemployed workers who could have been effectively assisted.

The eligibility criteria for the Employment Benefits and Measures directly address this issue by establishing a single funding source for all unemployed workers on claim or who have been on claim within the past three years or have been on maternity or paternal benefits within the past five years.

Other explanations for greater EIP success over similar CJS programming can be attributed to adjustments in program design, particularly around client selection and the matching of client labour market adjustment needs with the appropriate intervention. The EIP client-centred approach has been highlighted by:

- General client selection criteria focused on unemployed workers facing serious labour market difficulty (ie., without EIP assistance they would likely face longer term unemployment); under CJS, selection criteria were specific to each funding mechanism;
- Local flexibility allowed for the tailoring of interventions to meet client and local labour market needs; whereas CJS used relatively restricted criteria determining how programs were to be delivered;
- Partnership arrangements at the provincial and local levels increased joint decision making in the planning process and expanded the community resources which could be made available in the design and delivery of needed interventions.

EIP sought to have decisions affecting clients made as close to clients as possible and as much in the context of the local labour market as possible. This was a considerable

adjustment from CJS programming which still relied upon a centralized approach to client eligibility, program implementation rules and maintaining budgets by program component.

The proposed Employment Benefits and Measures build upon this approach and its proven success by replacing the program-based structure with one that is entirely client-focussed. Based upon case management practices, the new approach allows for the use of the appropriate service and support mechanism to assist unemployed workers with their own labour market adjustment plans.

Finally, a further explanation for the positive EIP results is that it built upon the results-based practices introduced under CJS with the national client follow-up surveys. In this regard, work continues on developing efficient and effective local level means of measuring and monitoring the results achieved with each client. The goal is that this information be readily available for use in local level planning and accountability as well as for the on-going development of best practices information for providing advice and assistance to individual clients.

With the proposed Employment Benefits and Measures, the further increase in local decision making and the capacity for various means of delivering them, (such as by third parties and other levels of government) are directly accompanied by an increased emphasis on results-based management and accountability practices.

From an overall perspective, the evaluation's findings are positive and reinforce the directions set out for the new Employment Benefits and Measures. The Report does identify areas for improvement, notably in the client selection process.

As the CJS evaluation findings were used in the design of EIP, the proposed Employment Benefits and Measures have been developed taking into consideration many of the lessons learned from the EIP experience and from the EIP evaluation. It is an important

document to have available during this time of policy and program development with the introduction of the new legislation.

1

INTRODUCTION

1.1 Background

The Employability Improvement Program (EIP) was established in 1991, representing a consolidation of several training programs previously available under the Canadian Jobs Strategy, as well as a number of employment services and programs delivered under the National Employment Services (NES). The program offers employment development programs that are focused on individual workers. The objective of the EIP is to achieve improved employability and facilitate the successful integration into appropriate employment of selected individuals who require assistance in overcoming existing or anticipated labour market barriers through the provision of counselling assistance, training and work experience, mobility assistance and related services and income support.

The focus of this evaluation is on the three training components — Job Opportunities, Project-Based Training and Purchase of Training — which are included in the eight original components that make up the Employability Improvement Program. These three training components accounted for 68% of Consolidated Revenue Funds and 96% of Unemployment Insurance Development Uses Funds spent on EIP in 1993-94. Overall, they represented 84% of total expenditures on EIP. In the subsequent chapters of this report, any reference to EIP refers only to these three program components.

The EIP is an important focus for evaluation research. The program represents a significant departure in both services and client focus from previous efforts. Research in the area of employment and training have raised important questions about the effectiveness of current labour market interventions. Given the significant level of public investment that the EIP represents and innovations in the program's approach, it is important to assess both the impact of each component and to offer more practical conclusions about "what works best for whom".

1.2 Program Description

(a) Overview

Employment programs offered by Human Resources Development Canada (HRDC) have undergone a fundamental change. The Labour Force Development Strategy (LFDS), announced in 1989, responded to the need for increased technological competitiveness of the Canadian workforce and to develop a training culture in Canada. As a result of the consultative processes stemming from the LFDS, the Employment Programs and

Services (EPS) was developed in 1991 to meet identified needs. This modified structure consolidated program elements of the former Canadian Jobs Strategy (CJS), as well as the services previously delivered under the National Employment Services (NES) program.

The Employability Improvement Program was introduced as one of four programs under the EPS. The program replaces a number of training programs available under the former CJS with a more streamlined structure. This new structure is designed to increase clients' access to a continuum of services to address their employment needs. In addition to more streamlined services, EIP differs from previous services in client selection, philosophical approach and program priorities.

The EIP *client selection* design is based on three prerequisites: 1) serious labour market difficulties; 2) client motivation; and 3) agreement between the client and the designated HRDC authority on an action plan. The program is designed to ensure equitable access to, and participation in, program opportunities for groups traditionally underrepresented in the labour market (e.g., women, social assistance recipients (SARs), visible minorities, aboriginals and persons with disabilities), in addition to the UI recipient focus. National strategies have been developed to guide client selection for these groups.

The identification of employment-related needs for the program's clientele is based on a *client-centred* approach. EIP client selection replaced the approach under CJS of targeting specific program components with specific client groups (e.g., Job Entry was for youth entering and women re-entering the labour market). The EIP programs were designed as generic tools used to meet clients' needs. Each participant is interviewed as soon as possible in the reemployment process to help identify what

program components are best suited to meet the client's needs in adjusting to the labour market.

A continuum of programs and services is offered to clients where necessary. The involvement of the client in the decision making process and the provision of counselling are designed to ensure that the training and services provided are timely and responsive to the client's unique situation. Another aspect of the EIP delivery structure is the involvement of several types of training delivery agents, ranging from private/public training institutions, community based trainers, and coordinating groups, to employers in the non-profit and private sectors. For many clients, counselling and other services may be provided by a third party and not by a CEC.

Unlike the previous CJS, the EIP emphasises *locally-driven programming*. Trainee selection is not based on national program criteria. Instead, priority groups are identified at the local level. *Partnerships* with community and non-government organizations are viewed as key to identifying local needs and the management and delivery of services.

The sources of funding also changed dramatically with the passage of Bill C-21, allowing for greater use of UI funds for "active measures" to assist UI recipients to return to work. Training purchases could be paid for by the UI account under the UI Developmental Uses (UIDU).

(b) Program Components

The EIP was originally comprised of eight components (Exhibit 1.1). This evaluation focuses on the three training components of the Employability Improvement Program. Each of these components is briefly described below.

- **Job Opportunities.** This component provides HRDC clients with training and work experience. It provides a wage subsidy to employers who hire participants. Financial assistance for training costs may also be provided to employers. Placements must be for at least 80 hours to a maximum of 52 weeks. Participation in the program is intended to lead to long-term employment. It replaces the Individually Subsidized Job Option of the Job Development Program and the Continuing Employment option of the Skills Investment Program. Job Opportunities was implemented in April 1991.
- **Project-based Training.** This component amalgamated several components of the former CJS Job Entry program. Implemented in July 1991, the program provides integrated classroom and on-the-job training to clients. Projects may be from 16 to 52 weeks in duration. Project contribution agreements are struck with local coordinators who arrange appropriate employment activities. These activities may include job skills training, life skills training, job search and/or job placements. Eligibility for the component has been broadened from the CJS program and is designed for individuals who face serious labour market barriers, require a high degree of assistance and a variety of consecutive services. Participants may receive income support through Section 26 UI benefits or a basic training allowance.

EXHIBIT 1.1
Employability Improvement Program Components

Component	Client Group	Service Provided	Objective	Implemented ¹
1. Job Opportunities	Selected unemployed clients	Provides employers with a wage subsidy to hire selected clients.	To provide clients with job opportunities leading to long-term employment.	April 1, 1991
2. Project-Based Training	Selected unemployed clients	Provides clients with combined classroom and on-the-job training.	To assist clients in acquiring the skills and training needed to enter and stay in the workforce.	July 1, 1991
3. Purchase of Training	Selected unemployed clients	Provides institutional training to clients through training courses purchased from public or private institutions.	To help unemployed clients learn new job skills, get academic upgrading or language training.	July 1, 1991
4. Employment Counselling	All HRD clients	Provides employment counselling to help people facing labour market difficulties.	To assess employment needs and to assist in defining and achieving realistic employment goals.	Ongoing
5. Employment Assistance and Outreach	Selected unemployed clients	Provides specialized assistance to clients through coordinators offering interventions such as Job finding Clubs, group employment counselling, job search strategies, diagnostic assessment, special approaches, and community-based employment assistance.	To assist clients facing serious labour market difficulty.	Emp. Ass.: July 1, 1991 Outreach: ongoing
6. Youth Initiatives	Youth	Provides a range of interventions for young Canadians with specific employment and training needs.	To encourage young people to complete high school, and to help students make the transition from school to work.	Ongoing
7. Mobility Assistance	Unemployed clients	Provides travel assistance and relocation assistance to help pay costs of finding new employment and relocating.	To assist unemployed persons look for jobs in areas providing better employment opportunities.	April 1, 1992
8. Delivery Assistance	No participants	Allows for agreements with employers/coordinators to support the employment programs.	To assist in and improve the delivery of employment programs.	Ongoing

¹ Program components that have undergone significant changes are given a specific implementation date in the Exhibit above, while previously existing CJS options transferred to EIP are identified as 'ongoing'.

- **Purchase of Training.** Implemented in July 1991, Purchase of Training replaces the Direct and Indirect Purchase of Training components which were administered under the CJS as several separate programs, each with a different client focus. Under this component, clients receive eligible training to learn new job skills. Training may be purchased under three mechanisms: government-to-government (under federal/provincial Labour Force Development Agreements), co-ordinating groups (private sector bodies) and CECs. Eligible training must meet the needs of the local labour market and the client's interests and aptitudes. Clients are eligible for income support through unemployment insurance or basic training or supplementary allowances. Excluding apprentices, the majority of training is vocational training (e.g., entry and upgrading skills, occupational training).

There were approximately 263,000 new starts under these three EIP components, in 1993-94. Approximately 80% of the new starts were Purchase of Training participants. In that same year, approximately \$560 million of Consolidated Revenue Funds were spent on these EIP participants, along with \$1.1 billion of UIDU funds. About 60% of Purchase of Training and 46% of Project-based trainees were UI recipients. Close to 12,000 clients benefitted from participation in Job Opportunities, an intervention funded only by CRF. There is considerable regional variation in take-up of programs, reflecting different local priorities, staggered start-up of some programs, and the extent of labour market difficulties in the different regions.

1.3 Organization of the Report

This report contains five additional chapters. Chapter two describes the evaluation issues and methodological approach for the study. Chapter three discusses the client profile, chapter four describes service delivery and client satisfaction and chapter five discusses the impacts and effects of program participation. A synthesis of the results and conclusions are presented in Chapter six.

CHAPTER

2

EVALUATION APPROACH

2.1 Evaluation Issues

Appendix A presents the evaluation issues for this study. These issues fall into three categories: relevance, delivery and program success, discussed in turn below.

(a) *Relevance*

The objective of the evaluation, with respect to program relevance issues, is to examine the plausibility of the program's design and logic. Are EIP resources appropriately targeted? What is the profile of EIP participants? Are resources targeted toward workers experiencing labour market difficulties? What is the participation rate of youth and equity groups in the program? What is the current coverage of the program? Is need for the program expected to continue?

Relevance questions are important in the current context given the level of participation in the EIP. As well, the growing urgency in the need to provide viable

reemployment options for UI recipients and others to reduce their dependency on income support makes it important to thoroughly investigate the relevance of the program.

(b) *Program Delivery*

The creation of EIP introduced numerous changes in the delivery of training compared to the delivery approach under CJS. One issue in this evaluation was to examine the extent to which the changes in the delivery of training was implemented under EIP, especially the counselling, development of an action plan and client follow-up. The evaluation enumerated the incidence of counselling and related services and examined the clients' perceptions of the services provided under EIP.

A second aspect of delivery is the timeliness of services. To what extent do current program resources and organization permit timely delivery of services? What is the delay period between referral and program participation? Is this delay problematic?

(c) *Program Success*

This evaluation focuses on the effects of the program on clients. It focuses on four measures: weeks worked; earnings; the use of UI; and the use of social assistance. In addition, this evaluation provides insights on non-economic outcomes such as motivation, confidence and personal well-being (see Appendix B).

The question of program success is considered in terms of incremental effects: what would have happened in the absence of the program? or to what extent can impacts and effects be attributed to the program? Determining the incremental effects of the program involves examining the relative rate of success in the labour market of program participants and non-participants.

Another issue that is related to program success is fairness and equity of the program. This issue concerns the extent to which the program has served members of groups which have traditionally been underrepresented in the labour market.

In addition to assessing the overall impacts of EIP, the evaluation also includes a comparative perspective, examining the *relative* effectiveness of the three program components for different client groups (e.g., unemployed, equity group members, youth). Circumstances or conditions which affect program success were measured and analysed in this evaluation, including individual characteristics of participants (e.g., prior income, assets, work history, training, skills and education), characteristics of the program (e.g., length of program, participation in counselling) and environmental factors (e.g., region, employment conditions).

2.2 Methodological Approach

The methodological approach for this evaluation is based on a quasi-experimental design. The approach features a comprehensive telephone survey of a large sample of participants from the three EIP training components and a comparison group of non-participants. The methodology is described briefly below and in greater detail in Appendix C.

(a) *Participant Sampling*

The diversity of program clientele and variety in programs and services available to participants presented unique challenges for this evaluation. The intent of EIP in providing for greater participation of certain target groups traditionally underrepresented in the labour market, required oversampling to obtain sufficient numbers of these individuals in the participant samples.

The population of program participants was defined as individuals who had started training in Purchase of Training, Job Opportunities or Project-based Training between July 1991 and the end of January 1994 and had completed their training prior to the survey in March 1994. HRDC administrative databases were used in constructing a sampling frame of program participants with SINS ending in five. The administrative files also provided information on the clients' work history and UI usage which could be used to select a comparison group. Participant information files were further linked to other data to obtain up-to-date names and addresses of participants. When respondents were contacted to conduct the interview, participation in the program was verified. Respondents who did not recall participating in the EIP, even after prompting for start and end dates and program name, were screened out of the interview.

EXHIBIT 2.1
Survey Sample Sizes by Region

Region	JO	PBT	POT	Comparison
Atlantic	265	672	709	1,091
Quebec	209	589	948	1,204
Ontario	246	612	1,139	1,416
Prairies	20	131	724	973
B.C.	0	3	489	629
Total	740	2,007	4,009	5,313

Note: Some cases within the frame (and as a consequence in the final sample) are missing on one of several regional indicators. Some cases are, therefore not accounted for in this table. These numbers include 781 apprentices.

Missing information on the HRDC management information system for western participants of the JO and PBT programs unexpectedly skewed the sample toward POT participants and toward Central and Eastern Canada. The lower than expected number of JO and PBT cases resulted in the original time period for sample selection (July 92-August 93) being changed to July 1991 to January 1994, to meet the interview completion targets. In total, 6,756 interviews were completed with program participants. Exhibit 2.1 presents the final distribution of cases by program and by region. JO and PBT are oversampled, compared to the actual number of starts for these components in EIP.

Apprentices are not EIP clients but are coded as POT cases as a matter of convention. They were initially included in the POT sample but were removed from all analyses, except where they are analysed as a separate group.

(b) Comparison Group Sampling

The comparison group was defined as individuals who were potential clients for EIP. The evaluation design had to ensure, to the extent possible, that the selection of the comparison group yielded a group of individuals with similar characteristics and intent to

enter and remain in the labour market. Sampling for the comparison group was largely based on the "one percent" file (i.e., SINs ending in 15) and included only those individuals who had contacted a Canada Employment Centre or had established a UI claim during the period under study. During the field work, the profile of the comparison group, based on the HRDC administrative files (e.g., Status Vector and ROE files) was monitored and compared to that of program participants. Attempts were made to ensure that key indicators such as the number of job separations, unemployment insurance claims, reason for claim, employment status and employment history were similar for the participant and non-participant groups. The comparison sample was stratified only to match the regional distribution of program participants. Oversampling was used in an attempt to complete at least 400 interviews with members of each employment equity group targeted in the participant sample (i.e., visible minority, aboriginal, disabled). Respondents who had exited the labour market and were no longer interested in finding a job were screened out of the interview. In total, 5,313 interviews were completed.

All interviews were conducted in March 1994. The elapsed time between program completion for EIP participants and their interview was 66 weeks on average. The longest time period between the program completion and the interview was for the POT participants (73 weeks). Due to sampling constraints, more of the JO and PBT participants were sampled from the 1993 time period resulting in a shorter time period between program completion and the interview date (approximately 58 weeks). To make adjustments for the differences in time periods the econometric models included the length of time between interview and program completion as an independent variable. Response rates to the survey for participants who were contacted were between 84% and 89%.

(c) *Analytical Approach*

An essential question in the analysis is the incremental impact of EIP on participants. Simple comparisons between program participants and non-participants on key outcome indicators (e.g., employment status) may yield a biased estimate of program impact

because of pre-existing differences between the comparison group and the EIP participants. One solution to this problem is to segment the samples, comparing only similar segments within the participant and comparison groups. This segmented approach was implemented for this evaluation, particularly segmentation based on the respondent's employment status just prior to entering the program. The EIP participants had a substantially higher incidence of being unemployed just prior to entering the program which would unfairly bias the outcomes in favour of the comparison group having better post-program employability outcomes. Analysing separately the impacts of EIP for respondents who were employed and unemployed just prior to the program eliminated the potential bias of this pre-existing difference between the comparison group and participant sample.

Although the analysis of the impacts of EIP by prior employment status or other labour market segmentations eliminates some of the bias due to pre-existing differences between the groups, this approach does not generate groups that are homogenous on multiple labour market history and socio-demographic characteristics. These differences within segments could still bias the employment outcomes. To minimize this problem, multivariate regression analysis was used to provide estimates of program impacts that would be unbiased by differences between the respondent samples in terms of their labour market history and background characteristics .

Detailed tests to determine if self-selection bias was present or not were conducted. The most appropriate functional forms of the models were implemented to deal with the potential for this bias. The Heckman two-stage self-selection bias correction procedure was also implemented to test if the functional forms were adequate to remove potential selection bias. The models using this correction factor yielded results that are comparable to the original estimation models. The results reported in this report are based on the original models.

The analytical approach focused on four key employability outcome measures for the EIP evaluation, which were as follows:

- weeks working;
- earnings;
- weeks on UI; and
- weeks on social assistance

The common set of independent variables used in estimating the outcome measures can be classified into four main categories:

- **socio-demographic:** age, sex, level of education, region of residence, citizenship, equity group membership and family characteristics (e.g., marital status, number of dependents);
- **labour force history:** number of UI claims and job tenure in weeks between 1987 to 1991, number of weeks required to be fully trained for the most current job before training, whether respondents received social assistance at some time in the two years before training start, employment status before training and previous employment earnings;
- **contextual variables:** the training end date for the program participants or comparable reference date assigned for the comparison group respondents (used as a reference point for questions about activities before and after training or the specified date), unemployment rates and population.
- **psychometric variables:** a set of psychometric measures were added to the EIP evaluation questionnaire to test the impact of psychological state of mind of the participants on the labour market outcomes. These psychometric measures were obtained at the time of the survey and no prior measures were available. Tests were conducted to examine the usefulness of these measures as predictors of labour market outcomes. The evidence from a preliminary analysis of this data indicated that the measures were influenced by the participants labour market experiences and, therefore, would not be appropriate as independent variables in the econometric models. Additional tests indicated that the inclusion of these variables did not substantially improve the fit of the equations predicting labour market outcomes. For these reasons, the detailed results from the psychometric measures are not presented in this report.

Appendix D describes all the above dependent and independent variables, provides the source of the variables and the description of computations, if applicable. These independent variables were selected based on statistical tests, their predictive power for the labour force outcome variables and their use in prior evaluations.

3

CLIENT PROFILE

3.1 Socio-demographic Profile

(a) *Job Opportunities*

Based on the socio-demographic profile of Job Opportunities respondents (Exhibit 3.1), on average the JO participants are 34 years old, more likely to be male, unmarried, high school graduates, and renting their place of residence.¹ Participants in the Job Opportunities program are less likely than POT participants to be married (44% compared to 59%) and are overrepresented in both the single/never married, and separated and divorced categories. JO participants are also more likely to be in the youngest age category (under 25) than are POT clients (23% vs. 10%). JO participants are less likely than POT participants to own their own home and have fewer dependents than other participants.

1. More detailed profile information of EIP participants and the comparison group is included in Appendix C.

EXHIBIT 3.1
Socio-Demographic Profile

	Job Opportunities	Project-Based Training	Purchase of Training ¹
Highest level of formal education attained			
Elementary school	2.3%	2.7%	3.5%
Some high school	23.9%	24.5%	22.2%
Graduated high school	33.9%	41.2%	38.7%
Some community college	11.2%	10.3%	11.2%
Some university	5.9%	4.6%	5.0%
Graduated community college	12.6%	10.3%	10.4%
Graduated university	10.1%	6.3%	8.8%
Trade school		0.1%	0.3%
Trade or professional certification			
Trade certificate	18.9%	20.9%	26.4%
Professional certificate	19.5%	20.7%	18.4%
Both	2.2%	1.9%	2.7%
None	59.4%	56.5%	52.6%
Current marital status			
Now married/common law	43.8%	43.8%	59.0%
Single (never been married)	41.6%	40.9%	28.2%
Separated	4.9%	4.8%	5.1%
Divorced	8.6%	9.6%	6.7%
Widowed	1.1%	0.9%	1.0%
Tenure			
Rent	49.8%	51.1%	38.4%
Own	37.3%	36.8%	55.0%
Neither	12.9%	12.1%	6.7%
Sex			
Male	54.8%	42.8%	54.3%
Female	45.2%	57.2%	45.7%
Age			
Average Age	34.2	34.3	37.9
Under 25	22.5%	23.1%	9.9%
26-40	52.4%	51.0%	53.2%
41-50	17.2%	20.0%	25.9%
51 and over	7.9%	6.0%	11.0%

1. Excludes apprentices.

Job Opportunities participants have a comparative advantage in terms of formal education over other participants - approximately 40% of individuals in the JO group have at least some post-secondary education. In addition, although not presented in Exhibit 3.1, based on the survey responses, JO participants' self-rated literacy and numeracy skills are at levels that are equivalent to those of other program groups.

(b) *Project-Based Training*

Project-based Training participants strongly resemble Job Opportunities participants in terms of age and household profile. Like JO participants, PBT participants are less likely to be married and have smaller households compared to POT participants. About half of PBT participants are renting their current accommodation. Nearly one quarter of the participants were under 25 years of age and they were more likely to be female (57%) compared to JO and POT participants.

Compared to JO participants, however, participants in PBT have lower overall levels of formal education and are less likely to have post-secondary education experience (32% had more than high school compared to 40% of the JO participants). Despite less formal education, their self-ratings of literacy, numeracy and computer skills are similar to the JO group.

(c) Purchase of Training

Purchase of Training participants were considerably different from the other two program groups. The component attracts workers in the middle age category, with workers in the youngest age category being underrepresented. POT participants are more likely than JO or PBT groups to be married and to own their own home (55%). Males make up about 54% of participants.

POT participants are more likely to hold a trade or other professional certificate. Their self-rated literacy, numeracy and computer skills are similar to those provided by other groups.

3.2 Labour Market History

(a) Job Opportunities

Participants in Job Opportunities have a poor job history on almost all indicators. Their employment experience is similar to PBT participants (Exhibit 3.2). Job Opportunities were somewhat less likely than POT participants to have worked full-time prior to the program and to have had a job in the two years before starting their program. At \$393, average weekly earnings for the "most important" job in the two years before the program were substantially less than that estimated for both POT (\$495) and PBT participants (\$402). JO participants worked in relatively low skill jobs compared to POT participants.

EXHIBIT 3.2 Historical Employment Profile

	Job Opportunities	Project-Based Training	Purchase of Training ¹
Employment status one week prior to program participation			
Employed	14.1%	10.5%	29.0%
Unemployed	72.0%	78.8%	57.2%
Out of labour force	14.0%	16.7%	13.8%
Ever worked full- or part-time before			
Full-time only	58.1%	57.1%	67.1%
Part-time only	17.3%	16.6%	13.4%
Mix of full- and part-time	15.8%	13.5%	13.3%
Never worked	8.8%	12.8%	6.1%
Had any job 2 years before			
Yes	68.6%	67.7%	81.9%
No	31.4%	32.3%	18.1%
Weekly hours of work for the most important job 2 years before			
Mean	39.5	39.1	40.8
Weekly earnings for the most important job two years before			
Mean	393.4	402.4	495.2
Member of union before			
Yes	14.7%	18.7%	27.7%
No	73.1%	64.5%	64.5%
Not Employed	12.2%	16.7%	7.7%
Weeks unemployed/not working in the 2 years before			
Mean	40.9	42.5	24.2
Number of weeks looking for a job in the 2 years before			
Mean	31.2	31.3	19.5
Ever collected UI in the 2 years before			
Yes	60.5%	55.2%	64.2%
No	39.5%	44.8%	35.8%
Number of weeks collected UI in the two years before			
Mean	20.9	17.9	19.1
Ever collected welfare in the 2 years before			
Yes	19.8%	27.8%	16.0%
No	80.2%	72.2%	84.0%
Number of weeks collected social assistance in the 2 years before			
Mean	6.0	12.7	5.1

1. Excludes apprentices.

JO participants were unemployed 41 weeks on average in the two years prior to the program, which is comparable to PBT participants (43 weeks), but much higher than POT participants (24 weeks). One-quarter of JO participants were unemployed for over six months and another quarter were unemployed for a year or more in the two years prior to the program.

JO participants were as likely as other groups to have collected UI in the two years prior to entering the program - 61%, compared with 55% of PBT and 64% of POT participants). JO participants collected UI for the longest period of all the groups (21 weeks), with one in five collecting for 50 weeks or more in the two years prior to the program. Twenty percent of JO participants had collected social assistance in the two years prior to the program for an average of six weeks.

While many JO participants experienced considerable employment instability, the administrative data on their historical employment experience (1987 to 1991) indicate that they had slightly fewer Record of Employment (ROE) and UI claims established than POT participants (though about equivalent to PBT participants) (Exhibit 3.3). This apparent contradiction is likely the result of an overrepresentation of re-entrants or new entrants to the labour market among JO participants (almost one in ten had never had a job) and, consequently, fewer jobs from which to be separated or to accumulate insurable weeks to collect UI. The historical data indicate that JO participants collected UI for about 51 weeks between 1987 and 1991, receiving about \$10,402 in benefits.

EXHIBIT 3.3
Historical Unemployment Insurance and Earnings Profile (1987-91)

	Job Opportunities	Project-Based Training	Purchase of Training
Number of ROEs			
Mean	3.9	3.8	4.3
Number of UI claims			
Mean	1.9	1.9	2.3
Number of weeks collected UI			
Mean	50.6	53.0	57.4
Total UI benefits received			
Mean	\$10,402	\$10,571	\$13,135
Average annual employment earnings (T4)			
Mean	\$8,894	\$9,118	\$13,382
Average annual total income			
Mean	\$11,881	\$11,658	\$17,043

JO participants' weaker attachment to the labour market and lower paying jobs is reflected in their historical employment earnings and total income. For the years when they had employment earnings between 1987 and 1991, JO participants had annual employment earnings of \$8,894. Their total income figures were similarly low.

(b) Project-Based Training

Like their counterparts in the JO program, PBT participants have a weak employment history. Of all program participants, PBT participants were least likely to have had employment experience prior to the program. For those who were employed, these workers were generally concentrated in lower paying jobs. PBT participants were less likely to be unionized than POT participants and were more likely to have been laid off at their

previous job. PBT participants with jobs prior to the program earned less than POT clients (\$402 during a 39 hour work week).

Like JO participants, PBT participants experienced a significant amount of unemployment prior to the program (43 weeks in the two years prior to the program). More than one in four participants were unemployed for over a year during this time period. About 31 weeks were spent by PBT participants searching for work during this same period. Given their sporadic work experience, PBT participants were less likely to have collected UI in the two years prior to the program (55%). These participants also had fewer ROEs and fewer UI claims (as a result of their weaker attachment to the labour force). However, PBT participants were more likely than other participant groups to have collected social assistance in the two years prior to the program. Participants also relied on social assistance for a longer period of time than the other groups (28% of participants collected social assistance for 13 weeks, on average).

In the period between 1987 and 1991, PBT participants collected UI for 53 weeks on average, for a total benefit of \$10,571. Historical employment earnings and total income reflect PBT participants' poorer work history. During the years with employment income between 1987 and 1991, PBT participants earned an annual average of \$9,118.

(c) Purchase of Training

POT trainees had a relatively stable employment history prior to participating in the program and were more often found in higher paid, higher skill occupations. These participants were most likely to have worked full-time prior to participating in the program (67%) and to have worked in the two years prior to the program (82%). Average weekly earnings of program participants who were employed prior to the program were \$495 for a 41 hour work week — substantially more than other program participants. POT program participants were also more likely than other participant groups to be unionized (28%).

POT participants were unemployed 24 weeks in the 24 months prior to participating in the program. Of these 24 weeks, 20 weeks were spent looking for a job. Sixty-four percent of POT participants collected UI in the two years prior to the program (higher than other program groups). A minority of POT trainees, 16%, collected social assistance in the two years prior to training, for an average of 5.1 weeks.

The historical income support and earnings data confirm a strong advantage for POT participants over other program groups. Between 1987 and 1991, participants claimed UI for 57 weeks, slightly higher than the other program groups. Total UI benefits received over this period were higher for POT participants (\$13,135) compared to other program groups, principally reflecting their higher employment earnings. Annual employment earnings (\$13,382) and total annual income (\$17,043) during the 1987-1991 period were also substantially higher than the other program groups.

4

SERVICE DELIVERY AND CLIENT SATISFACTION

4.1 Introduction

In order to provide a complete understanding of the types of interventions received by EIP participants, respondents were asked about their EIP program, as well as their participation in counselling and training programs prior to their EIP program. Specifically, respondents provided information on:

- 1) Employment Counselling: job counselling at a CEC in the two years prior to participating in EIP;
- 2) Continuum of Services: training or services offered by HRDC during the six months prior to starting their EIP program and during the EIP training program itself;
- 3) Client Perceptions: clients' perception of their EIP training program.

EIP participants' participation in each of these services and levels of satisfaction are described in more detail below.

4.2 Employment Counselling

(a) Incidence of Counselling

For many EIP clients, employment counselling is an important first step in entering training. Program participants were asked whether they talked with a job counsellor at a CEC in the two years prior to entering their EIP training program.

Approximately 44% of EIP trainees reported that they talked with a job counsellor at a CEC in the two years prior to entering their training program. The other participants may have received counselling from a third-party.

More than half of JO participants (53%) reported that they received employment counselling from a CEC counsellor in the two years prior to participating in their EIP program (the highest of all the program groups). According to respondents, the services most often received from their employment counsellor were: training referral (41%); information about job opportunities (38%); assistance in deciding on a career or job (12%) and advice on job search (12%).

Forty-four percent of PBT participants received employment counselling at their CEC at some time during the two years prior to participating in the program. Counselling services most often received by PBT participants were training referral (51%); and information about job opportunities (29%).

Forty-two percent of POT participants claimed that they had received employment counselling from a CEC counsellor at some time during the two years prior to participating in their training program. Training referral (59%); information on what job opportunities are

available (24%) and advice on choosing a career or job (14%) were the types of assistance most often received from the counsellor.

(b) Action Plan

An action plan was defined in the survey as a plan which sets out a series of activities for the participant to prepare for entering the job market. About 25% of participants reported that they developed an action plan with a CEC counsellor. The relatively low proportion of respondents acknowledging the use of an action plan is surprising given the strong emphasis EIP places on this tool to encourage client participation and commitment to resolving labour market problems. However, it is likely that the figure represents an underestimate of its use by employment counsellors. Often action plans may consist of only an informal agreement between the client and counsellor on future activities. It is also possible that more formal arrangements were never defined for the client as "action plans".

Just over one-quarter (27%) of JO clients, who had received counselling, recalled developing an action plan with their CEC counsellor. The action plan appears to have been a useful tool in planning services for these clients. Two-thirds of respondents who had an action plan said that the training or counselling they received followed their action plan closely (rated five, six or seven on a seven-point scale).

PBT participants were the least likely of all the program groups to have developed an action plan with their CEC employment counsellor, although this may have been done by third party coordinators. Twenty-three percent of respondents claimed they had developed an action plan with their counsellor. Of those who had an action plan, two-thirds reported following this plan very closely.

One-quarter of POT participants reported that they had developed an action plan with their employment counsellor. Of those who did have an action plan, two-thirds of respondents believed that this plan was followed closely.

(c) *Client Assessment of Counselling*

Overall, JO clients believed that the employment counselling they received was only moderately successful at helping them set career goals, identifying areas where they had the best chance for finding a job, matching their skills and abilities with their program, making decisions about their program, and following-up with them during their program. According to participants, the counselling they received was most effective in matching their skills and abilities with their JO training — 61% of respondents rated the counselling successful in this area. Employment counselling was considered to be less successful in helping the client to set career goals (43% rated this area very successful) than other aspects of counselling (Exhibit 4.1).

Reasons why JO participants perceived counselling to be less successful were: counsellor not considering the respondent's needs (19%); lack of follow-up (18%); not enough time spent with the respondent (12%); and counsellor not being sympathetic (11%).

EXHIBIT 4.1
Success of Employment Counselling

	JO		PBT		POT	
Aspect of Counselling: Helping Clients	Mean ₁ Rating	% rating ₂ success	Mean Rating	% rating success	Mean Rating	% rating success
Set career goals and plans	4.0	43	3.9	42	3.8	41
Identify areas where they had the best chance for finding a job	4.3	48	4.0	46	3.9	43
Match their skills and abilities with their program	4.8	61	4.4	56	4.5	55
Provide follow-up during their training program	4.1	49	3.6	41	3.3	33
Make decisions about their program	4.4	52	4.2	50	4.0	45

1. On a 7-point scale

2. Rated 5, 6 or 7 on a 7-point scale

Like the JO participants, those in PBT believed their employment counselling was only somewhat successful in achieving various employability goals (Exhibit 4.1). Matching their skills and abilities with their PBT program was rated as most successful by participants (56% rated this as very successful). Employment counselling was judged to be least successful in providing follow-up during the project and in helping participants to set career goals and plans (just over 40% rated these aspects very successful).

Reasons why PBT participants perceived counselling to be less successful were: lack of follow-up (27%); not enough time spent with the respondent (23%); and counsellor not considering the respondent's needs (19%).

Of all three groups, POT participants consistently expressed the lowest success rating of employment counselling (Exhibit 4.1). Providing follow-up during their training was rated by participants as particularly unsuccessful. Only one-third of POT clients were satisfied with this aspect of the counselling they received. The match achieved between the client's skills and abilities and their training program was rated the most successful of all aspects of counselling (over half of respondents rated this successful).

Respondents who rated their counselling as less successful cited two reasons most frequently for their poor ratings: the lack of follow-up (18%); and counsellors not considering their needs (19%).

(d) Time Period Between Counselling and Training

The waiting period between the time JO participants received counselling and were placed in their EIP program was approximately eight weeks. For those clients where the delay between referral and starting their program was longer than one month (22% of participants), the majority (84%) reported that the delay did not cause them any problems.

PBT participants waited 10 weeks on average between the time of their referral and starting their project. Delays of longer than a month were not perceived to be problematic for participants. Eighty-two percent said that the delay did not cause them any problems.

The delay between a training referral and start of the training program was 11 weeks on average for POT participants. Approximately 23% experienced a delay of more than one month. However, for those who did experience this delay, almost all clients, 94%, said this did not cause them any problems.

4.3 Continuum of Services

(a) *Introduction*

The "continuum of service" aspect of program delivery has received a great deal of attention as a way to ensure that clients receive needed (multiple, if necessary) services to achieve employability. EIP participants were asked about the number and type of services they received from HRDC in the six months prior to their EIP program, in addition to those received during the training program itself.

(b) *Services Received in Six Months Prior to Training Program*

JO participants were more likely than other program groups to have received a continuum of service (i.e., received training or counselling from HRDC in the six months prior to their EIP program). Almost one in five participants received at least one additional service in the six months prior to their program. Services that clients received immediately prior to their JO placement included: training (54%); job counselling (19%); and a job finding club (11%). CEC counsellors were named by half of all participants as the referral source for this additional service, followed by personal contacts (39%). The vast majority (88%) of those who received services prior to their program, received only one other service.

Fourteen percent of PBT respondents received additional training or counselling through HRDC in the six months prior to the program. Services received six months prior to their project included: training (39%); job counselling (25%); and job finding club (15%). PBT participants were most often referred to these services by a CEC counsellor (47%) or a personal contact (30%). Of those who received additional services from HRDC prior to their program, only a minority (8%) received more than one service.

Fourteen percent of POT participants participated in other training or counselling services in the six months prior to their training program. Other services which were received by these participants immediately prior to their POT program included: training, either job specific or through a training project (45%); job counselling (25%); and academic upgrading (9%). Clients were most often referred to this service by their CEC counsellor (45%) or a personal contact (40%).

(c) *EIP Training*

Services Received During Training Program

The focus of the JO program is on providing subsidized employment experiences for participants and, as expected, the majority of JO participants' program included a placement at a job - 82%² (Exhibit 4.2). For a significant proportion, however, their program included other types of training or counselling. For example, almost half of all JO participants (47%) received job-specific skills training in the classroom and one-third received basic literacy and numeracy skills training. A smaller proportion (20%) obtained career counselling by someone outside of HRDC and 14% received life skills training.

Project-based training is designed to provide participants with integrated services, including classroom and on-the-job training. Reflecting this program design, PBT participants had high levels of participation in all types of program services (Exhibit 4.2). Eighty-six percent of respondents received job-specific skills training in the classroom and nearly as many participants had on-the-job experience (76%).

2. This figure may not be 100% for several reasons, including respondents confusing other categories with job placement.

EXHIBIT 4.2
Services Received During Training Program

Program Element	JO	PBT	POT
	% Receiving Service	% Participating	% Participating
Job-specific skills training in a classroom or workshop setting	47	86	81
On the job experience with an employer	82	76	34 ¹
General academic skills such as reading and math	31	59	50
Employment or career counselling by someone other than a CEC counsellor	20	65	38
Personal counselling or life skills training	14	61	30

1. Respondents who were employed at the time of training may have reported something that was provided by employers but was not related to POT.

PBT participants were most likely of all the program groups to receive additional services such as basic skills training (59%); employment or career counselling outside of HRDC (65%); and personal or life skills training (61%).

Forty-four percent of PBT participants received services through a private training institution (the highest of all the program groups). Twenty-six percent took training through a community college and 20% received services through a non-profit organization.³

POT participants' program emphasized classroom training for the majority of participants (81%)⁴ (Exhibit 4.2). Thirty-four percent of participants also received on-the-job experience with an employer. Half of participants received training in general academic skills.

3. Note that some participants received services from more than one organization.

4. This figure may be less than 100% for several reasons, including respondents confusing other categories with classroom training.

Just over one-third obtained employment counselling outside of HRDC. Thirty percent received life skills training.

Training Providers

For over 80% of JO participants, at least part of their on-the-job program was delivered by an employer. A small minority of participants (4%) received services through non-profit organizations. Community colleges and private training institutions were also cited as program providers by 11 and 8% of JO clients respectively.⁵

Forty four percent of PBT participants received services through a private training institution (the highest of all the program groups). Twenty six percent took training through a community college and 20% received services through a non-profit organization.

Just over half of POT participants (52%) received their training through a community college. Private training institutions were the delivery agents for about one-quarter of participants. The remaining participants received their training from: employers (7%); non-profit organizations (8%); and high school (6%).

Duration

According to administrative records, JO clients spent 24 weeks in their program, on average. The majority of participants (61%) believed that their program was an appropriate length. Where respondents were not satisfied with the length of the program, more were concerned that the program was too short (one-third) than too long (4%).

5. Note that some participants received services from more than one organization.

The average program length for PBT participants was 24.2 weeks. A majority of participants, 59%, believed the duration of their project was "about right". A substantial minority, about one-third of participants did not think their program was long enough. Only a minority, 6%, felt their program was too long.

POT participants' program length averaged 15.3 weeks. The majority of clients were satisfied with the length of their program: 61% said the length of the training was "just right". One-third of participants felt the training was too short. Only a minority (5%) said the training was too long.

Allowances

Just under 17% of the JO participants reported they received a basic training allowance. Of those who received a basic training allowance, 81% said they would not have been able to manage without this assistance. Only 2.5% of JO participants received a dependent care allowance while on the program, but 91% of them said they could not have managed financially without this allowance. JO participants had the highest expenses during the program, paying about \$312 over the program period for things like transportation, child care and special clothing.

Seven percent of PBT participants received a dependent care allowance and 28% reported receiving a basic training allowance. Over 89% of participants who received a dependent care allowance and 81% who received a basic training allowance said they could not have managed financially without this assistance. Participants contributed \$231 over the program period for training related expenses.

Approximately 7% of the POT participants reported they received a basic training allowance and less than 2% stated they had received a dependent care allowance. Of those who received a basic training allowance, 87% said they would not have been able to manage without this assistance, while 86% stated they could not have managed without the dependent care allowance. POT participants contributed \$211 over the program period for training related expenses.

Occupations

JO participants obtained training in a great variety of occupations with a concentration in the clerical (14%) and service (16%) occupational groups. Eleven percent of participants were employed in managerial or administrative occupations.

While there was a very wide variety of training occupations mentioned, PBT participants most often trained for clerical (23%); managerial/administrative (eight%); and service (10%) occupations.

POT Participants were trained for a wide variety of occupations. Training occupations included: clerical (14%); product fabrication (6%); service (7%); and managerial and administrative (8%). In over one-quarter of cases (28%), respondents said that the training they received was for "no specific job".

Non-Completion

Fifteen percent of JO participants did not complete their program. These participants had, on average, 15 more weeks to complete their program. The main reasons for not completing the program were: financial difficulties (25%); client was asked to leave the program (19%); and client took a job (13%).

Fourteen percent of PBT participants did not complete their program. These participants were, on average, about 10 weeks from completing their project. Just over one-third of participants left their project to take a job. Fourteen percent of respondents did not complete their project due to personal or family reasons.

Only ten percent of POT participants did not complete their training program (the lowest rate of all program groups). Participants who did not complete their program left, on average, 15 weeks prior to the end of the course. The main reasons why participants did not complete the program were: to take a job (33%); family or personal reasons (18%); and financial difficulties (11%).

4.4 Client Perceptions

(a) Context

Describing EIP participants' reasons for taking training and their reactions and satisfaction with the program was a key objective of the evaluation. The survey of participants obtained information on participants' reasons for pursuing their program and satisfaction levels.

(b) Reasons for Taking Training

By far the most important reason why JO clients decided to participate in the EIP program was to get a job. Thirty-five percent of respondents said the main reason they participated in the JO program was to improve their chances of getting a job and 22% said they needed the training or job experience to get a job. Other reasons offered for participating in the program were: interest in course or job (9%); something to do/no other job available (6%); and wanted to change career/get into another field (6%).

Similarly, the majority of PBT participants were motivated to participate in their program in order to obtain employment. Sixty-one percent of respondents decided to participate in order to improve their chances of getting a job or because they needed training

or work experience in order to get a job. Other reasons for participating in the program which were named by participants were: interest in the course (10%); and interest in changing careers/fields (8%).

Like other participants, clients of the POT program were primarily motivated to participate in training to get a job. Almost half of all respondents (49%) took training to improve their chances of getting a job or because they needed training or work experience in order to get a job. Other reasons for taking the program were: interest in the course (11%); desire to change careers or get into a different field (7%); self-confidence (7%) and to be certified in an occupation (2%).

(c) *Client Satisfaction*

JO participants provided very positive ratings of their experience with the program, though not as high as the other program groups. Participants were marginally less satisfied with the on-the-job supervision (75%), compared to the classroom training (78%). A slightly lower satisfaction rating was given to the amount of time an instructor spent with the participant (75% were very satisfied). The majority (83%) of participants were satisfied with the program overall. (Exhibit 4.3)

PBT participants provided very high satisfaction ratings of their training project (the highest of all the program groups) and these ratings were consistent across all aspects of their program — classroom instruction, on-the-job supervision, equipment and amount of time spent by instructors and supervisors (Exhibit 4.3). Eighty-six percent of participants were very satisfied with their program as a whole.

Overall, POT participants expressed a high level of satisfaction with their training program (Exhibit 4.3). The vast majority (86%) were satisfied with the training program as a whole. The lowest rated aspect of participants' training was the quality of the on-the-job supervision, although, only a minority were not satisfied.

EXHIBIT 4.3
Client Satisfaction With Training Component

	JO		PBT		POT	
Aspect of Program	Mean Rating ¹	% Satisfied ²	Mean Rating ¹	% Satisfied ²	Mean Rating ¹	% Satisfied ²
Quality of instruction of the classroom training	5.6	78	5.9	85	5.9	86
Quality of the supervision of the on-the-job training portion	5.4	75	5.7	82	5.6	80
Quality of the equipment used	5.6	79	5.8	84	5.8	83
The amount of time that was spent with you by instructor or supervisor	5.4	75	5.8	83	5.7	82
The program as a whole	5.8	83	5.9	86	5.8	86

1. On a 7-point scale
2. Rated 5, 6 or 7 on a 7-point scale

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CHAPTER

5

PROGRAM IMPACTS AND EFFECTS

5.1 Background

The labour market outcomes are the primary indicators of the success of the Employability Improvement Program. This chapter focuses on the following four key outcome variables, showing annualized incremental effects for the post-program period:

- weeks working;
- earnings;
- weeks on UI; and
- weeks on social assistance

5.2 Labour Market Experiences of Participants

The survey results for pre- and post-program labour market indicators are presented in Exhibits 5.1a to 5.1c. The overall results, for all cases⁶, are presented in Exhibit 5.1a. The results are also presented separately for individuals who were employed and unemployed in the week prior to the reference date (see Exhibits 5.1b and 5.1c).

EXHIBIT 5.1a
Pre-Program and Post-Program Outcomes: All Cases¹

	Job Opportunities	Project-Based Training	Purchase of Training
Percent weeks working prior	45.5	45.5	62.1
Percent weeks working post	61.9	53.8	76.5
Weekly earnings prior	\$393	\$402	\$495
Weekly earnings post	\$379	\$352	\$429
Percent weeks UI prior	17.8	15.3	14.2
Percent weeks UI post	18.5	10.1	10.0
Percent weeks on social assistance prior	3.4	6.1	2.0
Percent weeks on social assistance post	2.0	4.6	2.5
Sample size ²	743	1,990	3,020

1. Excludes apprentices.

2. The actual sample size varies across each variable due to missing data.

6. As noted in Chapter Two, apprentices were excluded from the POT cases since they are coded as part of POT as a matter of convention, however, apprentices are not considered a client group for POT.

EXHIBIT 5.1b

Pre-Program and Post-Program Outcomes — Unemployed Prior¹

	Job Opportu- nities	Project-Based Training	Purchase of Training
Percent weeks working prior	44.8	47.3	58.1
Percent weeks working post	59.6	51.2	68.6
Weekly earnings prior	\$403	\$414	\$497
Weekly earnings post	\$379	\$362	\$430
Percent weeks UI prior	20.8	17.7	19.8
Percent weeks UI post	19.9	10.3	13.0
Percent weeks on social assistance prior	3.2	6.6	2.4
Percent weeks on social assistance post	1.9	4.6	3.4
Sample size ²	528	1,450	1,726

EXHIBIT 5.1c

Pre-Program and Post-Program Outcomes — Employed Prior¹

	Job Opportu- nities	Project-Based Training	Purchase of Training
Percent weeks working prior	71.7	69.0	84.1
Percent weeks working post	69.8	72.8	89.1
Weekly earnings prior	\$387	\$386	\$504
Weekly earnings post	\$400	\$329	\$471
Percent weeks UI prior	12.7	11.4	5.8
Percent weeks UI post	15.4	10.2	6.5
Percent weeks on social assistance prior	3.8	1.7	0.4
Percent weeks on social assistance post	1.9	4.0	0.9
Sample size ²	103	208	877

1. Excludes apprentices.
2. The actual sample size varies across each variable due to missing data.

JO and PBT participants generally spent less than 50% of the two years before the program working, earned approximately \$400 per week at their jobs and were on UI over 15% of the time. POT participants were somewhat better off, working 62% of the weeks and earning nearly \$500. EIP participants, on average, did not use social assistance often.

There was a dramatic increase in the percentage of weeks spent working in the post-program period, but average weekly earnings decreased. These overall patterns are observed for the unemployed participants, who comprise the majority of EIP trainees. The employed participants who had a more stable work history and who generally worked over 70% of the time in the previous two years, experienced only a modest increase in the percentage of weeks employed. For JO, the number decreased. Weekly earnings for employed PBT and POT participants decreased in the post-program period.

Despite this segmentation by prior employment status, these simple bivariate results are still influenced by numerous, albeit less dramatic, differences in labour market history and socio-demographic variables. To avoid erroneous conclusions based on simple bivariate results, econometric models were developed for each of the four key outcome measures to make adjustments for pre-existing differences between the survey respondents in the comparison and EIP participant groups. The regression coefficients for the program impacts are presented in Appendix D.

5.3 Incremental Effects of Training

To simplify the interpretation of the results the model coefficients have been transformed into annualized estimates of the impact on weeks working, earnings, weeks on UI and weeks on social assistance. All of the results presented are incremental outcomes. An incremental outcome is the difference between what happened to clients after the program compared to what would have happened without the program.

(a) Employed and Unemployed

Exhibit 5.2a presents the annualized incremental impacts on all cases in the JO, PBT and POT samples. Similar to the bivariate results, the estimated impacts of EIP on employability indicators has also been segmented by employed and unemployed prior to entering the program. Since few JO (14%) and PBT (11%) participants were employed just prior to entering the program, conclusions on the effectiveness of these programs should focus on the unemployed segmentation which represents the vast majority (over 72%) of the JO and PBT participants. The results of the employed segment are more relevant for assessing the effectiveness of POT. While the majority (57%) of the POT participants were also unemployed prior to program participation, a substantial proportion (27%) were employed prior to program participation.

The following text describes the econometric modelling results on annual weeks working, annual earnings, annual weeks on UI and social assistance, and for selected client groups.

EXHIBIT 5.2a
Incremental Effects of Training: All Cases¹

Outcome Measures	Job Opportunities		Project-Based Training		Purchase of Training		Apprentices	
	Esti- mates	Sample Size	Esti- mates	Sample Size	Esti- mates	Sample Size	Esti- mates	Sample Size
Annual weeks working after program completion	12.7	5,432	10.8	6,386	12.1	6,939	7.4	5,470
Change in annual earnings ²	\$4,828	-	\$3,789	-	\$5,175	-	\$8,360	-
Annual weeks on UI after program completion	n.s. ³	5,620	-4.6	6,717	-3.4	7,739	-3.3	5,683
Annual weeks on social assistance after program completion	-2.6	5,850	-1.6	6,735	-1.5	7,813	n.s.	5,938

1. Excludes apprentices.

2. No sample sizes are provided since the estimates are not derived from an econometric model.

3. "n.s." means not statistically significant at the 95% level of confidence.

Annual Weeks Employed

As evident in Exhibit 5.2a, all three program components had a positive impact on the number of weeks working after program completion. On an annual basis, JO participants had the largest increase in the number of weeks working, 12.7 weeks, although POT participants had a nearly equivalent 12.1 increase in the number of weeks working. PBT had the smallest increase of the three EIP components, however, this increase was still substantial at 10.8 weeks.

A similar pattern is observed when examining results for the unemployed, the largest clientele for all three programs, in Exhibit 5.2b. The main difference is an increase in the estimated impacts of EIP on the number of weeks working after the program completion. The estimated annual increase in the number of weeks working for JO rose from 12.7 overall to 17.1 weeks for the unemployed participants. Unemployed POT participants had the second highest increase in annual weeks working at 15.9 weeks, followed closely by the unemployed PBT participants who had a 14.4 annual increase in weeks working.

EXHIBIT 5.2b
Incremental Effects of Training: Unemployed Prior¹

Outcome Measures	Job Opportunities		Project-Based Training		Purchase of Training	
	Estimates	Sample Size	Estimates	Sample Size	Estimates	Sample Size
Annual weeks working after program	17.1	1,307	14.4	1,982	15.9	2,101
Change in annual earnings ²	\$6,504	-	\$5,214	-	\$6,842	-
Annual weeks on UI after program	n.s. ³	1,348	-7.4	2,126	-5.1	2,512
Annual weeks on social assistance after program	-3.7	1,392	-2.7	2,021	-2.2	2,451

1. Excludes apprentices.

2. No sample sizes are provided since the estimates are not derived from an econometric model.

3. Note: n.s. means not statistically significant.

Since the employed participants are a small segment of the JO and PBT participants the lack of a significant impact on the number of weeks working after program completion (see Exhibit 5.2c) for employed participants in these two components of EIP may simply be due to the relatively small sample sizes in these segments. However, the relatively small three week increase for employed POT participants suggests that the impacts of JO and PBT may indeed be very small or non-existent.

EXHIBIT 5.2c
Incremental Effects of Training: Employed Prior¹

Outcome Measures	Job Opportunities		Project-Based Training		Purchase of Training	
	Estimates	Sample Size	Estimates	Sample Size	Estimates	Sample Size
Annual weeks working after program	n.s. ³	3,437	n.s.	3,531	3.0	4,008
Change in annual earnings ²	-	-	-	-	\$1,420	-
Annual weeks on UI after program	n.s.	3,500	-3.2	3,605	-2.6	4,130
Annual weeks on social assistance after program	n.s.	3,687	0.9	3,784	n.s.	4,331

1. Excludes apprentices.

2. No sample sizes are provided since the estimates were not derived using an econometric model.

3. "n.s." means not statistically significant at the 95% level of confidence.

Annual Earnings

To calculate the impact of EIP on annual earnings, the impact of EIP on both the annual weeks working and the weekly earnings was included in the calculations. The differences in estimated annual earnings impacts among the EIP components is entirely due to differences in the impacts on the number of weeks working and pre-existing differences among groups that resulted in different average weekly earnings. (There was no impact on weekly earnings.)

Across all cases, POT had the largest earnings gain, \$5,175 despite the fact that the POT participants had the second highest increase in weeks working. This was due to the fact that POT participants tended to earn more due to differences in skill levels and labour market experience. JO participants enjoyed a \$4,828 increase in annual earnings while the PBT participants had a substantially lower \$3,789 increase in earnings.

The earnings gain for the unemployed EIP participants, as shown in Exhibit 5.2b, followed the same pattern as above. The earnings gain ranged from \$6,842 for unemployed POT participants to \$5,214 for PBT participants. For employed participants, there were no earnings benefits from participation in JO or PBT, while employed POT participants had a modest estimated earnings gain of \$1,420.

Annual Weeks on UI and Social Assistance

Despite the relatively large increases in weeks working, the reductions in UI and social assistance use were smaller by comparison. In fact, there was no significant impact of JO on the annual weeks on UI, although JO did have the largest reduction in the annual weeks on social assistance (a 2.6 week decrease). PBT and POT participants both had a reduction in the number of weeks on UI and social assistance. PBT had a larger decrease in weeks on UI, 4.6 weeks, than POT; however, both programs yielded similar decreases in social assistance use of approximately 1.5 weeks.

A virtually identical pattern was observed among the unemployed. JO had no significant impact on weeks of UI but reduced annual weeks on social assistance by 3.7 weeks. PBT had the largest decrease in weeks on UI, 7.4 weeks versus 5.1 for POT. PBT and POT reduced the weeks on social assistance by 2.7 and 2.2 weeks respectively.

The results for the employed participants were smaller than those observed overall or for the unemployed participants. EIP had no impact on annual weeks on UI and social assistance for the employed JO participants. Employed POT participants did not experience any change in their use of social assistance but did have a modest 2.6 week decrease in the weeks on UI. PBT participants had a 3.2 week decline in UI use and a very slight, less than one week, increase in social assistance use.

(b) Apprentices

Although apprentices are not considered as EIP clients, the results obtained for the apprentices were analyzed separately (see Exhibit 5.2a). Compared to the results obtained for other POT participants, apprentices had a smaller gain in the number of weeks worked, even though they may spend a considerable amount of time in further training. The increase was

still a sizeable 7.4 weeks gain in annual weeks working. The apprentices had a \$8,360 gain in annual earnings, substantially higher than the \$5,175 earnings gain for non-apprentices in POT. The greater earnings gain was due to higher earnings than regular POT participants; in addition, apprentices experienced a \$74 gain in weekly earnings.

The apprentices had a 3.3 week decrease in the annual weeks on UI, comparable to the figure for POT overall, but had no significant decline in weeks on social assistance.

(c) UI Recipients and Non-Recipients

One issue of interest was to compare the outcomes of EIP participants who were eligible for UI versus those who were not eligible. The ROE administrative file was used to identify the survey respondents' most recent ROE in the past 12 months. If the ROEs had a benefit commencement period (BPC) date, the individuals were classified as UI recipients. All cases without a ROE or a BPC were identified as non-recipients (see Exhibit 5.3a and Exhibit 5.3b).

EXHIBIT 5.3a

Incremental Effects of Training: UI Recipients

	Job Opportunities		Project-Based Training		Purchase of Training ¹	
	Estimates	Sample Size	Estimates	Sample Size	Estimates	Sample Size
Annual weeks working after program completion	13.8	1,864	12.6	2,289	10.7	2,694
Change in annual earnings ²	\$5,305	-	\$4,769	-	\$4,829	-
Annual weeks on UI after program completion	-2.3	1,873	-8.2	2,344	-5.4	2,937

Annual weeks on welfare after program completion	-1.5	2,088	n.s.	2,289	-0.8	3,121
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EXHIBIT 5.3b
Incremental Effects of Training: Non-Recipients

	Job Opportunities		Project-Based Training		Purchase of Training ¹	
	Estimates	Sample Size	Estimates	Sample Size	Estimates	Sample Size
Annual weeks working after program completion	12.5	3,568	10.4	4,097	13.3	4,246
Change in annual earnings ²	\$4,692	-	\$3,452	-	\$4,748	-
Annual weeks on UI after program completion	3.2	3,747	-2.4	4,373	-2.4	4,802
Annual weeks on welfare after program completion	-3.4	3,762	-2.4	4,190	-2.0	4,692

1. Excludes apprentices.

2. No sample sizes are reported since the estimates were not derived using econometric models.

Note: n.s. means not statistically significant.

Overall, both groups, UI recipients and non-recipients benefitted by participating in EIP. With respect to weeks worked and earnings, UI recipients in JO experienced the largest gains of all, working an additional 13.8 weeks and adding just over \$5,300 to their annual earnings. PBT clients worked an additional 12.6 weeks, while those in POT an additional 10.7 weeks. Their annual earnings increased by approximately \$4,800. Among non-recipients, POT clients worked 13.3 weeks more, while JO participants worked an additional 12.5 weeks. Clients in both components increased their annual earnings by approximately \$4,700.

Regarding the receipt of UI, among UI recipients, PBT clients received 8 fewer weeks. POT participants received 5.4 fewer weeks. Non-recipients received between 2.4 and

3.2 fewer weeks. With respect to social assistance, non-recipients received between 2 and 3.5 fewer weeks. UI recipients reduced their receipt by 1.5 weeks or less.

(d) Client Groups

Appendix D presents detailed econometric results for several EIP Client groups. A summary of these findings is presented in Exhibits 5.4a and 5.4b. This section highlights some of the main findings from the detailed segmented analysis.

The most striking aspect of the analysis of the EIP client groups was not the differences among them, but the consistency of positive findings across most client groups, including segments of the labour market which tend to experience labour market barriers, such as youth, older workers, SARs, visible minorities and the disabled. While some of these client groups may not have received the same level of benefit from participation than other client groups, they did achieve substantial gains in weeks working after training, compared to the same groups in the comparison group.

EXHIBIT 5.4a

EIP Client Groups: Incremental Annual Weeks Working

TARGET GROUP	JO	PAT	POT
Less Educated	9.3	9.3	12.2
Women	12.8	10.6	13.4
Youth	10.3	—	9.3
Older Participants	11.2	14.5	15.9
Visible Minorities	15.2	14.9	16.3
Disabled	14.2	8.8	19.6
Social Assistance Recipients	16.8	16.0	18.8

EXHIBIT 5.4b
EIP Client Groups: Incremental Annual Earnings

TARGET GROUP	JO	PBT	POT
Less Educated	3,258	3,064	5,560
Women	3,888	3,203	4,276
Youth	3,047	—	2,997
Older Participants	4,998	5,161	6,182
Visible Minorities	5,653	4,972	8,024
Disabled	4,529	2,575	6,450
Social Assistance Recipients	5,663	4,725	6,946

The key findings, in terms of annual weeks worked, were as follows:

- *Women:* Females had outcomes similar to those for males under JO and PBT but had larger gains in weeks working under POT compared to males.
- *Education:* Participants with a high school diploma benefited the most under all three program components. Participants with less than a high school diploma had the lowest benefits under JO and PBT. Participants with less than a high school diploma still managed to obtain substantial gains in weeks working under all three components of EIP.
- *Age:* Youth benefitted less than older workers (46 and over) in all program elements, although youth realized substantial gains under JO and POT. Older workers benefitted the most under PBT and POT.
- *Visible Minorities and the Disabled:* Participants who identified themselves as members of a visible minority had higher estimated gains in weeks working under all three program elements than the EIP sample overall. Participants who identified themselves as disabled had higher weeks working under JO and POT compared to the overall results.
- *SARs:* SARs had substantially higher gains in terms of the number of weeks working under all three program components, compared to the overall results for EIP.

6

SYNTHESIS AND CONCLUSIONS

6.1 Profile of Participants

Job Opportunities and Project-Based Training participants are drawn from the younger, less established segment of HRDC's clientele. They are less likely to be married or to own their own home. They also have slightly fewer dependents. These characteristics are typical of individuals who have a weaker attachment to the workforce and unstable employment histories.

Both JO and PBT participants were experiencing significant employment difficulties prior to entering the program. Both groups were less likely than Purchase of Training participants to have worked full-time prior to the program and to have worked in the two years prior to the program. Their "most important" pre-program job was relatively low skilled, with lower earnings and poor security. JO and PBT participants also shared a weaker historical attachment to the labour market in terms of spending more time without a job, and were more likely to have collected UI and social assistance. Consistent with their less stable work patterns, historical earnings (1987-91) and income for JO and PBT participants were significantly lower than for Purchase of Training participants.

Purchase of Training participants were better off than their counterparts in JO or PBT. POT participants were more likely to have been employed just prior to entering the

program, had higher paying jobs, and worked in more highly skilled jobs. POT participants were more likely to be married and own their own home. Males were somewhat overrepresented in this group.

6.2 Targeting and Relevance

EIP appears to be relatively well targeted to its intended client groups. Nearly all of the JO and PBT participants were unemployed at the time of entering the program and almost two thirds of the POT participants were unemployed. Even among the participants who were employed prior to entering the program, the risk of job loss was substantial based on their job history in the post-program period. EIP appears to be relevant to its objective to assist workers facing labour market difficulties since the majority of participants had unstable work histories and were overrepresented in equity groups.

6.3 Delivery

The changes in service delivery and approach which were intended by the EIP were often not reflected in participants' experience. For example, while the original design of EIP proposed counselling prior to program participation, only 44 per cent of EIP participants reported receiving some form of counselling from a CEC officer prior to entering the program. However, counselling may have been provided by third party delivery agents and not at CEC offices. Training referral and information were the services most often received from employment counsellors. Administrative records also confirm that a lower level of counselling was received by clients than was dictated by the program design.

The employment counselling that was received was not highly rated by recipients. Participants believed that employment counselling was only moderately successful in achieving its goals. JO participants were the most satisfied of all the program groups. Participants who received counselling thought that the counsellor's matching of their skills and abilities with their program was most successful. Follow-up and helping the client to set career goals were rated least successful. These ratings were generally consistent across all groups.

The use of client action plans is expected to facilitate clients' access to and participation in appropriate services, as well as to generate greater involvement and commitment to services and programs. Like employment counselling, participants' use of an action plan was less than expected. Approximately 25 per cent of clients reported developing an action plan at a CEC with their employment counsellor. Administrative data is not available to support this finding and clients' lack of understanding of an action plan may account for the low utilization rates. Two-thirds of those who used an action plan said that their training/employment experience conformed very closely to the plan.

Overall, participants from all program groups expressed a high degree of satisfaction with their training/employment program (over 80 per cent of participants were satisfied with such aspects of the quality of instruction, quality of supervision, quality of equipment and the program overall). JO participants expressed somewhat less satisfaction with the program than other groups.

Only a minority of participants did not complete their program (between 10 and 15 per cent). The completion rates for EIP were considerably higher than was found in evaluations of the predecessor CJS programs. Various reasons were offered by EIP participants for not completing their program: took another job; personal or family reasons; asked to leave the program; and financial difficulties.

6.4 Labour Market Outcomes

(a) Annual Weeks Working

All of the information provided in the discussion of labour market outcomes are based on the incremental impacts of EIP. Incremental outcomes are what happens as a result of participation in a program, compared with what would happen without the program. All three program components had a positive impact on the number of weeks working after program completion. On an annual basis, JO participants had the largest increase in the annual weeks working, 12.7 weeks, although POT participants had a nearly equivalent 12.1 weeks. PBT had the smallest increase of the three EIP components, however, this increase was still substantial at 10.8 weeks. These gains for employability were even higher for participants who were unemployed just prior to entering the program, but virtually non-existent except for employed clients, except for employed POT participants who experienced a small increase in the annual number of weeks working.

(b) Annual Earnings

There were substantial increases in the annual earnings for EIP participants due to the increase in the number of weeks worked. The annual earnings increases ranged from approximately \$3,800 for PBT participants to a high of nearly \$5,200 for the POT participants. Consistent with the gains in the number of weeks working, EIP resulted in even higher annual earnings gain for the unemployed participants but virtually no gains for the employed participants except for a modest gain of just over \$1,400 for the employed POT participants.

(c) Annual Weeks on UI and Social Assistance

The reductions in the use of UI and social assistance by EIP participants was substantial but smaller by comparison with the improvements in the number of weeks working. In fact, there was no significant impact of JO on the annual weeks on UI, although JO did have the largest reduction in the annual weeks on social assistance, a 2.6 week decrease. PBT and POT participants both had a reduction in the number of weeks on UI and social assistance. PBT had a larger decrease in weeks on UI, 4.6 weeks, than POT, however both programs yielded less than a two week reduction in weeks on welfare. A similar pattern but larger decreases were observed among the unemployed workers. Employed POT and PBT both had reduced weeks on UI and PBT participants had less than a one week decline in weeks on welfare.

6.5 UI Recipients and Non-Recipients

Both UI recipients and non-recipients showed notable gains. In terms of weeks working, PBT was more effective for UI recipients, while POT was more effective for non-recipients. UI recipients also received far fewer weeks of UI benefits after the program than they would have otherwise. The reduction in UI usage was much smaller for the non-recipients group. UI recipients showed little or no decrease in time on social assistance, while non-recipients received fewer weeks of social assistance.

6.6 EIP Client Groups

Compared to similar individuals who did not participate in EIP, EIP had a positive effect on the employability of groups, such as the older age segment (age 46 and over),

workers with lower educational attainment (less than high school), visible minorities, persons with a disability and SARs, which typically experienced serious labour market difficulties. In some cases, EIP yielded more benefits for these groups than less disadvantaged labour market participants. The increased effectiveness of EIP with groups facing greater labour market difficulties is consistent with previous CJS evaluations. Perhaps the most important observation is that EIP was effective across almost all labour market segments.

6.7 Overall Assessment

Overall, EIP produced significant labour market benefits for participants and was most effective for participants who were unemployed just prior to entering the program. All components of EIP resulted in decreased use of the social safety net as measured by fewer weeks on UI or social assistance in the post-program period.

EIP participants experienced substantial increases in annual earnings due to increased weeks worked after the program. In addition, all three components of EIP decreased reliance on the social safety net.

EIP was effective at assisting its program target groups, including workers who were younger, less educated, unemployed, non-UI recipients, and members of equity groups. In many cases, their incremental gains were higher than those of EIP participants overall.